

FISCAL NOTE

HB 2524 – SB 2891

January 28, 2008

SUMMARY OF BILL: Gives students option to attend school closest to students' residence regardless of districting. Transportation is not required for those students who live one and one-half miles or less from the school.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$216,000

Increase Local Gov't. Expenditures* – Exceeds \$216,000

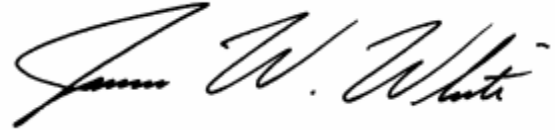
Assumptions:

- According to the Department of Education (DOE) approximately 945,100 children are enrolled in public school. Approximately 480,000 are transported by bus.
- In the absence of relevant data, it is assumed that 1% of children statewide would transfer schools, a total of 9,451. Approximately 4,725 students (50% of 9,451) would ride the bus to their new school.
- In 75% of cases, existing bus routes will be adjusted without significant additional cost. New bus routes will be required for 1,181 students ($25\% \times 4,725 = 1,181$). According to DOE, the average transportation cost per pupil per year is \$367.
- The total cost for transporting an additional 1,181 children would be \$433,427 ($1,181 \times \$367 = \$433,427$). Under the BEP formula busing costs are divided 50/50 between LEAs and the state. The total cost to LEAs and the state will be \$216,714 apiece ($\$433,427 / 2 = \$216,714$).
- According to the Comptroller, BEP funding for the transportation of students is based on number of students transported, density of student population, and number of miles traveled.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

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